in one or more installments. Such above-mentioned fee schedule or schedules shall be used as a basis for calculating fee payments but full payment of Jackson County Cooperating Physicians for any accounting period may be made at a level higher or lower than such schedule or schedules in accordance with the operating experience encountered for such period.

6. The management of O. P. S., under the direction of the Board of Directors of O. P. S., is to handle and have charge of all administration and acquisition work required in connection with contracts located in the Jackson County area specified herein, and all moneys representing dues on contracts covering the business transacted in Jackson County shall be collected by and paid to O. P. S. at
4981 a place selected by it. The average state-wide O. P. S. operating charge will be made by O. P. S. against all contract collections in the Jackson County area, to cover the cost of professional liability insurance, licenses, reserve funds and indemnity bonds as required by the laws of Oregon, or deemed advisable by the Board of Directors of O. P. S., in maintaining the corporate structure; and to cover the actual cost of acquisition and administration of the contracts incident to the business transacted in the Jackson County area.

7. It is understood that all moneys received by O. P. S. under its contracts incident to business transacted in the Jackson County area, except the administrative charge above provided for, shall be used to furnish services to the persons covered under O. P. S. contracts in the Jackson County area, and that all bills for stipulated medicines, hospital accommodations, and services of dentists, physicians and surgeons are to be paid from the balance of moneys collected from Jackson County contracts, in the manner above specified, after the deduction of the above described administrative charge.

8. It is further agreed that the accounts of O. P. S. relative to its business in the Jackson County area shall be kept separate and distinct from all of its other business and that no part of the income from the Jackson County area shall be applied to the payment of any expenses of administration and acquisition relative to any other business done by O. P. S., or be diverted to the payment of bills for services to subscribers under O. P. S. contracts in other areas not involved in this agreement. O. P. S. shall not be required

to pay any expenses, bills or charges of any nature arising from its Jackson County operations, except from moneys received from the operations of O. P. S. in the Jackson County area.

9. This MEMORANDUM OF UNDERSTANDING shall be in full force and effect for the period of one year beginning with the date first hereinabove written, and shall be continued thereafter from year to year unless terminated at any time as hereinafter provided. It may be terminated by either party hereto, effective at any future date, by the giving of written notice of such termination by one party to the other party at least ninety (90) days prior to such termination date. In the event of such termination, the physicians participating hereunder nevertheless agree to render services under the contracts of O. P. S. in the Jackson County area in accordance with this memorandum until such time as all contractual obligations of O. P. S. in the Jackson County area have expired.

4982 IN WITNESS WHEREOF Oregon Physicians' Service have caused this MEMORANDUM OF UNDERSTANDING to be duly executed, pursuant to authority heretofore granted by its Board of Directors, as of the day and year first hereinabove written.

OREGON PHYSICIANS' SERVICE

By (Signed) W. C. MARSHALL
General Manager

The Cooperating Physicians of Jackson County, Oregon have indicated their approval of this MEMORANDUM OF UNDERSTANDING as of the 24th day of August, 1942.

COOPERATING PHYSICIANS OF JACKSON COUNTY

By (Signed) EDWIN R. DURNO
President

By (Signed) C. W. LENNERY M.D.
Secretary

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**Plaintiff's Exhibit 464**

4983 AGREEMENT

This MEMORANDUM OF UNDERSTANDING made and entered into as of the 7 day of October, 1948, between OREGON PHYSICIANS' SERVICE, an Oregon corporation, here-

inafter referred to as O. P. S., and the COOPERATING PHYSICIANS OF LINN COUNTY WHO HOLD COOPERATING AGREEMENTS WITH O. P. S., hereinafter referred to as the Cooperating Physicians, WITNESSETH:

1. This agreement shall apply to the above-stated area and is entered into by said Cooperating Physicians who heretofore have elected, or hereafter shall elect, to become members and stockholders in O. P. S.

2. It is understood that O. P. S. has entered into, and will continue to enter into, contracts with certain industrial and other organizations, associations and corporations, individuals and families, in the above-stated area for the furnishing to the persons covered under such contracts, of medical and surgical services, hospital accommodations and services, dental and other benefits as contemplated by the corporate powers of O. P. S. and as defined in the contracts which it may enter into.

3. It is further contemplated that said Cooperating Physicians have become, or shall hereafter become, members and stockholders in O. P. S., and shall constitute the staff of physicians for the rendering of services to the persons covered by the contracts above described. This understanding is intended to set forth the restrictions and regulations pertaining to the contracts above described and the relations between O. P. S. and the said Cooperating Physicians constituting its staff in the above-stated area.

4. Any physician who shall be engaged in practice in said area and who shall be a member in good standing of the Linn County Medical Society and/or the Oregon State Medical Society, shall be eligible to become a stockholder of, and a member of the said area staff of O. P. S. Each such member shall purchase two shares of Class AA Capital Stock of O. P. S. (excepting that any member residing in a community of less than one thousand population shall purchase one share of said stock) and shall execute an individual staff agreement, a copy of which is attached hereto and by this reference made a part hereof. The price to be paid for the said capital stock shall be twenty-five dollars ($25.00) per share. No physician shall be admitted to said area staff excepting upon due proof
4984 that he is engaged in practice in said county and upon certification that such physician is a member

in good standing of the Linn County Medical Society and/or the Oregon State Medical Society.

5. Payments by O. P. S. for services rendered by members of the said area staff to persons requiring treatment under O. P. S. contracts in said county shall be made primarily according to the fee schedule or schedules which shall be agreed upon from time to time by and between the Cooperating Physicians of said area and the Board of Directors of O. P. S. Such payments for services shall be made only after charges for corporate, sales and administrative expenses, as hereinafter specified, first aid stations and nurses as may be required in the rendering of services to contracted parties in said area, hospital services, medical and surgical services in emergencies or for patients referred to physicians not participating in this agreement, stipulated medicines and drugs, ambulance services and all other services specified in O. P. S. contracts, have been paid in full. While initial payments made by O. P. S. to the Cooperating Physicians of said area for services rendered to O. P. S. contract subscribers shall be based primarily on the above-mentioned fee schedule or schedules, it is specifically agreed that full payment of services rendered to any Cooperating Physician of said area shall constitute said Cooperating Physician's full relative share of all funds available during any accounting period for the payment of services rendered by all Cooperating Physicians of said area during that period, regardless of whether such payments may be made in one or more installments. Such above-mentioned fee schedule or schedules shall be used as a basis for calculating fee payments but full payment of said area Cooperating Physicians for any accounting period may be made at a level higher or lower than such schedule or schedules in accordance with the operating experience encountered for such period.

6. The management of O. P. S., under the direction of the Board of Directors of O. P. S., is to handle and have charge of all administration and acquisition work required in connection with contracts located in the area specified herein, and all moneys representing dues on contracts covering the business transacted in said area shall be collected by and paid to O. P. S. at a place selected by it. The average statewide O. P. S. operating charge will be made by O. P. S. against all contract collections in the area, to cover the cost of professional liability insurance, licenses, reserve funds and indemnity bonds as

4985

required by the laws of Oregon, or deemed advisable by the Board of Directors of O. P. S., in maintaining the corporate structure; and to cover the actual cost of acquisition and administration of the contracts incident to the business transacted in the area.

7. It is understood that all moneys received by O. P. S. under its contracts incident to business transacted in the area, except the administrative charge provided for, shall be used to furnish services to the persons covered under O. P. S. contracts in the area, and that all bills for stipulated medicines, hospital accommodations, and services of dentists, physicians and surgeons are to be paid from the balance of moneys collected from area contracts, in the manner above specified, after the deduction of the above described administrative charge.

8. It is further agreed that the accounts of O. P. S. relative to its business in the area shall be kept separate and distinct from all of its other business and that no part of the income from the area shall be applied to the payment of any expenses of administration and acquisition relative to any other business done by O. P. S., or be diverted to the payment of bills for services to subscribers under O. P. S. contracts in other areas not involved in this agreement. O. P. S. shall not be required to pay any expenses, bills or charges of any nature arising from its area operations, except from moneys received from the operations of O. P. S. in the area.

9. This MEMORANDUM OF UNDERSTANDING shall be kept in full force and effect for the period of one year beginning with the date first hereinabove written, but may be continued thereafter from year to year by agreement of the parties hereto. It may be terminated by either party hereto, effective at any future date, by the giving of written notice of such termination by one party to the other party at least ninety (90) days prior to such termination date. In the event of such termination, the physicians participating hereunder nevertheless agree to render services under the contracts of O. P. S. in the above-stated area in accordance with this memorandum until such time as all contractual obligations of O. P. S. in the said area have expired.

4986 IN WITNESS WHEREOF Oregon Physicans' Service has caused this MEMORANDUM OF UNDERSTANDING to

be duly executed by its President and Secretary as of the day and year first hereinabove written.

OREGON PHYSICIANS' SERVICE

By (Signed) D. R. Ross
President

By (Signed) C. I. DRUMMOND M.D.
Secretary

The Cooperating Physicians of Linn County, Oregon have indicated their approval of this MEMORANDUM OF UNDERSTANDING as of the 7 day of October, 1948.

COOPERATING PHYSICIANS OF LINN COUNTY

By (Signed) RALPH M. WADE M.D.
President

By (Signed) MARSH O. PERKINS M.D.
Secretary

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**Plaintiff's Exhibit 465**

4987

AGREEMENT

This MEMORANDUM OF UNDERSTANDING made and entered into as of the ..... day of ....., 19....., between OREGON PHYSICIANS' SERVICE, an Oregon corporation, hereinafter referred to as O. P. S., and the COOPERATING PHYSICIANS OF THE COUNTIES OF DESCHUTES AND JEFFERSON WHO HOLD COOPERATING AGREEMENTS WITH O. P. S., hereinafter referred to as the Cooperating Physicians, WITNESSETH:

1. This agreement shall apply to the above-stated area and is entered into by said Cooperating Physicians who heretofore have elected, or hereafter shall elect, to become members and stockholders in O. P. S.

2. It is understood that O. P. S. has entered into, and will continue to enter into, contracts with certain industrial and other organizations, associations and corporations, individuals and families, in the above-stated area for the furnishing to the persons covered under such contracts, of medical and surgical services, hospital accommodations and services, dental and other benefits as contemplated by the corporate powers of O. P. S. and as defined in the contracts which it may enter into.

3. It is further contemplated that said Cooperating Physicians have become, or shall hereafter become, members and stockholders in O. P. S., and shall constitute the staff of physicians for the rendering of services to the persons covered by the contracts above described. This understanding is intended to set forth the restrictions and regulations pertaining to the contracts above described and the relations between O. P. S. and the said Cooperating Physicians constituting its staff in the above-stated area.

4. Any physician who shall be engaged in practice in said area and who shall be a member in good standing of the local County or District Medical Society and/or the Oregon State Medical Society, shall be eligible to become a stockholder of, and a member of the said area staff of O. P. S. Each such member shall purchase two shares of Class AA Capital Stock of O. P. S. (excepting that any member residing in a community of less than one thousand population shall purchase one share of said stock) and shall execute an individual staff agreement, a copy of which is attached hereto and by this reference made a part hereof. The price to be paid for the said capital stock shall be twenty-five dollars ($25.00) per share. No physician shall be admitted to said area staff excepting upon due proof that he is engaged in practice in said county and upon certification that such physician is a member in good standing of the local County or District Medical Society and/or the Oregon State Medical Society.

4988

5. Payments by O. P. S. for services rendered by members of the said area staff to persons requiring treatment under O. P. S. contracts in said county shall be made primarily according to the fee schedule or schedules which shall be agreed upon from time to time by and between the Cooperating Physicians of said area and the Board of Directors of O. P. S. Such payments for services shall be made only after charges for corporate, sales and administrative expenses, as hereinafter specified, first aid stations and nurses as may be required in the rendering of services to contracted parties in said area, hospital services, medical and surgical services in emergencies or for patients referred to physicians not participating in this agreement, stipulated medicines and drugs, ambulance services and all other services specified in O. P. S. contracts, have been paid in full. While initial payments made by O. P. S. to the Cooperating Physicians of said area for services ren-

dered to O. P. S. contract subscribers shall be based primarily on the above-mentioned fee schedule or schedules, it is specifically agreed that full payment of services rendered to any Cooperating Physician of said area shall constitute said Cooperating Physician's full relative share of all funds available during any accounting period for the payment of services rendered by all Cooperating Physicians of said area during that period, regardless of whether such payments may be made in one or more installments. Such above-mentioned fee schedule or schedules shall be used as a basis for calculating fee payments but full payment of said area Cooperating Physicians for any accounting period may be made at a level higher or lower than such schedule or schedules in accordance with the operating experience encountered for such period.

6. The management of O. P. S., under the direction of the Board of Directors of O. P. S., is to handle and have charge of all administration and acquisition work required in connection with contracts located in the area specified herein, and all moneys representing dues on contracts covering the business transacted in said area shall 4989 be collected and paid to O. P. S. at a place selected by it. The average statewide O. P. S. operating charge will be made by O. P. S. against all contract collections in the area, to cover the cost of professional liability insurance, licenses, reserve funds and indemnity bonds as required by the laws of Oregon, or deemed advisable by the Board of Directors of O. P. S., in maintaining the corporate structure; and to cover the actual cost of acquisition and administration of the contracts incident to the business transacted in the area.

7. It is understood that all moneys received by O. P. S. under its contracts incident to business transacted in the area, except the administrative charge above provided for, shall be used to furnish services to the persons covered under O. P. S. contracts in the area, and that all bills for stipulated medicines, hospital accommodations, and services of dentists, physicians and surgeons are to be paid from the balance of moneys collected from area contracts, in the manner above specified, after the deduction of the above described administrative charge.

8. It is further agreed that the accounts of O. P. S. relative to its business in the area shall be kept separate and distinct from all of its other business and that no part of

the income from the area shall be applied to the payment of any expenses of administration and acquisition relative to any other business done by O. P. S., or be diverted to the payment of bills for services to subscribers under O. P. S. contracts in other areas not involved in this agreement. O. P. S. shall not be required to pay any expenses, bills or charges of any nature arising from its area operations, except from moneys received from the operations of O. P. S. in the area.

9. This MEMORANDUM OF UNDERSTANDING shall be kept in full force and effect for the period of one year beginning with the date first hereinabove written, but may be continued thereafter from year to year by agreement of the parties hereto. It may be terminated by either party hereto, effective at any future date, by the giving of written notice of such termination by one party to the other party at least ninety (90) days prior to such termination date. In the event of such termination, the physicians participating hereunder nevertheless agree to render services under the contracts of O. P. S. in the above-stated area in accordance with this memorandum until such time as all contractual obligations of O. P. S. in the area have expired.

4990 IN WITNESS WHEREOF Oregon Physicians' Service has caused this MEMORANDUM OF UNDERSTANDING to be duly executed by its President and Secretary as of the day and year first hereinabove written.

OREGON PHYSICIANS' SERVICE

By (Signed) D. R. Ross
President

By (Signed) C. I. DRUMMOND M.D.
Secretary

The Cooperating Physicians of the Counties of Deschutes and Jefferson have indicated their approval of this MEMORANDUM OF UNDERSTANDING as of the ..... day of ....., 19.....

COOPERATING PHYSICIANS OF THE COUNTIES OF DESCHUTES AND JEFFERSON

By (Signed) BRADFORD N. PEASE
President

By (Signed) EVAN W. THOMAS
Secretary